

Enterprise Services Policy No. POL-DES-125-03

Direct Buy Purchases

Applies to: Any state office or activity of the executive branch of state government, including state agencies, departments, offices, divisions, boards, commissions, institutions of higher education as defined in [RCW 28B.10.016](#) and correctional and other types of institutions.

Authorizing sources:

- State Law [RCW 39.26.125](#)
- State Law [RCW 39.26.090\(6\)](#)
- State Law [RCW 39.26.240](#)
- State Law [RCW 43.60A.200](#)
- State Law [RCW 39.26.005](#)
- State Law [RCW 39.26.010](#)
- [OCIO Policy #121](#)
- [DES Policy 210-01](#)

Original Effective date: March 9, 2020

Extension start date: March 9, 2022

Sunset review date: March 8, 2025



Approved by: _____ Tara Smith, Director

Reason for Policy

A competitive solicitation process must be used for all purchases of goods and services unless there is an exception listed under RCW 39.26.125. Direct buy purchases are one of the exceptions, which do not require a competitive process. Certain public purchases do not justify the administrative time and expenses necessary to conduct a competitive process.

This policy establishes the Direct Buy procurement criteria authorized in RCW 39.26.125(3). This policy applies to all purchases for goods and services executed by agencies under delegated authority granted in accordance with [RCW 39.26.090](#) or under [RCW 28B.10.029](#).

The updated limits are intended to:

- Align with the statutory intent of encouraging and facilitating state agency purchases of goods and services from Washington veteran-owned businesses ([RCW 43.60A.200](#)) and small businesses ([RCW 39.26.005](#)), which in turn greatly improves opportunities for spending with certified minority- and women-owned businesses. Raising direct buy limits was a key recommendation of the [2019 Washington State Disparity Study](#).
- Setting exception limits that give agencies increased authority to make direct buy purchases to meet business needs, thus improving efficiency while preserving competitive solicitations for higher-risk procurements.

Policy

1. The following direct buy designations shall apply:
 - a. **Direct Buy Level 1:** \$30,000
 - b. **Direct Buy Level 2:** \$40,000 if the purchase is being made from a small business as defined by RCW 39.26.010(22); or from a certified veteran-owned business.
2. The following conditions apply to the direct buy Levels:
 - a. Purchases from a large business's e-commerce marketplace (e.g. Amazon) are only authorized for Direct Buy Level 1.
 - b. Direct Buy Levels include shipping and handling costs, but exclude taxes and finance charges.
 - c. Direct buy Levels apply on a per transaction basis (to each contract term or to each purchase event).
 - d. With regard to repetitive purchases, if an agency makes the same types of purchases over and over again, even if from different vendors, it should enter into a competitive procurement.
 - e. If any amendment causes the Direct Buy purchase to exceed the Direct Buy threshold, the amendment shall be competed.
 - f. If the Direct Buy Levels exceed the agency's delegated authority, then the agency must request additional delegation of authority from the DES Director.
 - g. Agencies shall use due diligence to determine that the price is reasonable based on experience and knowledge of the market.
 - h. Agencies must document that a vendor meets the qualifying criteria for a Direct Buy Level 2.
 - i. [DES' Protest Policy #DES-170-00](#) does not apply to Direct Buy purchases.
 - j. Advertising in Washington's Electronic Business Solution (WEBS) is not required.
3. Agencies must use existing DES master contracts or DES approved cooperative contracts unless they cannot justifiably satisfy agency needs as documented by the agency.
4. Agencies may not manipulate a purchase to have the purchase qualify as a Direct Buy purchase to avoid using a competitive process.
5. Agencies are encouraged to consider whether approaches such as unbundling and subcontracting may result in increased purchases from Washington small businesses, to include minority, women, and veteran owned businesses.
6. All applicable information technology related procurements must conform to the Office of Chief Information Officer (OCIO) Policy #121.
7. An agency's record of compliance with the Direct Buy policy will be a factor in an agency's risk assessment.
8. Agencies shall report Direct Buy purchases in accordance with [DES's Contract Reporting Policy #DES-210-01](#). DES may review Purchasing Card usage to identify additional Direct Buy purchasing activity.

Frequently Asked Questions

FAQ: [Direct Buy Policy FAQ](#)

History

Adopted

March 9, 2020

Replaces

DES-125-03 Direct Buy Purchases Policy (Effective date March 9, 2020)

DES-125-03 Direct Buy Policy (Rev. 01-08-15)